

REGULAR MEETING BLOSSBURG MUNICIPAL AUTHORITY
FEBRUARY 7, 2023

The regular meeting of the Blossburg Municipal Authority was held on Tuesday, February 7, 2023 at 7:00 PM in the Council Room.

The following members were present: Chairman M. Stoudt, Vice Chairman J. Bubacz, Jr., Treasurer P. Bauman, and member F. Wasowicz. Secretary S. Hall had advised G. Lloyd that he would not be in attendance. Also present was G. Lloyd, Borough Manager and Recording Secretary, L. Lazouras.

GUEST: Attorney C. Lantz

Chairman Stoudt called the meeting to order at 7:02 PM.

The Chairman asked the members that C. Lantz be taken care of before our regular business, and all agreed.

C. Lantz was present to discuss our gas royalty money that the Water Company has been receiving. He had talked with J. Cox who is the bond counsel for the RUS funding for the new WWTP. The royalty funds are separate monies and not involved with the sewer project. The royalty funds are extra money we are receiving and can use them for sewer-related items for regular operation and maintenance costs of our system. This would also cover I&I and other work on our sewer system. We have the loan and grant money for the new WWTP. Down the road we could use the royalty funds to help pay the debt service. Chris will ask J. Cox to send us his written opinion on this. It will be until April of 2025 before the plant is completed and we will have to start paying back the loan. George said we have been slowly raising our sewer rates to be able to pay off the loan and RUS tells you what your rates have to be to do this. George said we have been under the Consent Order with DEP and there is a limited number of additional EDU's we can have. There is one spot at the old hospital that needs I&I work done before it can be used, and the buyers are aware they have to fix it. This is an existing hook up and not new.

It was noted RUS does not care where our funds come from, just that we make our payments to them. C. Lantz said other communities use PA. Local Government Investment Trust (Plgit) for municipal investing. P. Bauman said FCCB now has a program for municipalities investing and the rate is good. C. Lantz said Authorities are supposed to sustain themselves.

P. Bauman noted we had previously decided to raise our sewer rates to make sure we have money to start paying RUS back on the loan. We had

also discussed a reduction on the water bills since we have the extra money coming from royalties and want to pass it on somehow to our consumers. C. Lantz does not feel this is a good idea because if you did it once, people would keep coming back wanting more. You set up budgets to be able to sustain yourselves, and ideally have six months' worth of funds set aside to operate into the next year. It was noted prices for everything are going up and we would not want to fall short. You also have to allow for savings should a major event happen. C. Lantz said for the sewer project you have to allow for any change orders that should come up. M. Stoudt noted we have been spending royalty money to upgrade our system, we purchased the Dorn property for protection of our watershed, purchased new pieces of equipment, building the new Taylor Run tank and putting in two new wells to have more water available. All our projects are to benefit the community for the future. P. Bauman noted for the new WWTP our up-front contribution share is \$400,000.00. C. Lantz said you have to remember there is no guarantee for how long we will be getting royalty money and have to think of it as a temporary windfall. J. Bubacz said when we do the final close with RUS, we need to have our sewer rates where they should be to cover the debt service. It was noted we got a very good deal from RUS for grant and loan money but also this is a 40-year loan to repay. The Boro had to pledge backing and we do not want that to happen. There being no further business with C. Lantz the members thanked him for attending and he left at 7:45 PM.

Section 1. All reports to be accepted in one motion

A.) MINUTES

The minutes from the 1/3/23 meeting were brought up for discussion. There were three corrections.

B.) TREASURER'S REPORT AND BILL PAYMENT

P. Bauman read the treasurer's report. On the bill list is the water payment to DEP Forestry for the annual draw of water from the State streams. On the water bill list is a payment to the State for \$50.00 for the 10" distribution line tank Taylor Run permit. The audit report was received, and a copy was in the members packets. Leesa advised the members if they did not want to keep it to return to her for our files. George reported there was a bill to repay the Wellsboro Boro for sewer camera repairs. Repairs were part of the agreement when we split the purchase. George said it is now working fine. There being no further discussion, a motion was made by J. Bubacz, seconded by F. Wasowicz, "That all reports be accepted as presented." All in favor.

Section 2: Old Business

A.) WATER UPDATE. SALT WELL 15

Nothing on the well. We have some leaks as the water is up, but George also thinks some of that is people leaving their water run during the cold weather, so it does not freeze. Dan has a problem with the back wash at the R&G. The water coming out should be cleaner. S. Bray said possibly the media needs to be changed. Mike asked how often the process takes and George said before every 10 days and is down to every five. George said they have started filling the new MG TR tank, drawing about 100,000 gallons per day and it will then have to get filtered which takes 2-3 hours.

B.) DELINQUENTS

George passed out the report. Cheryl did a different type of report with breakdowns by each size of meters. 5/8" which is most homes in town, multiples by number of units and the bigger meters.

C.) INFILTRATION

D.) WATER FUTURE I-99/BUSINESS 15 CORRIDOR

They are proceeding with the eminent domain for those that won't sign.

E.) TAYLOR RUN-SOUTHWESTERN

George will call Erica to get a written notification from her that ok.

F.) CASSELBERRY

He has talked with DCNR about the proposed well by House's. George will ask him about there being more water in the Dorn Hollow area.

G.) OLD HOSPITAL

H.) TAYLOR RUN TANK/NEW CHLORINE BLDG.

They have to pressure test the water line from the tank down to the hydrant so it can go on to town. S. Bray will have to certify this and submit it to DEP. M. Stoudt said we are looking into a generator and will get bids from three different companies. This can go through Costars. We will have to get a transfer switch and have to build a control panel.

I.) NEW STP

They are boring by the pump house under the river to cross over to the plant. They have had a problem with boney hard stuff and clay.

We also have Performance Construction Change Order #1, 1/31/23 which is due to the dry pit submersible pump weight being larger than the original design the contractor was advised to increase the proposed hoist for lifting the pumps from ½ ton to 1 ton. The other part deals with the proposed SBR tank hoist inability to lift equipment over the proposed handrail efficiently and safely, aluminum safety gates were proposed for installation around each tank for safe equipment maintenance. This cost increase is \$4,656.39. Motion made by J. Bubacz, seconded F. Wasowicz, "That we approve the change order." All in favor.

J.) BRAY WTP EVALUATION

We received the pall pilot study and S. Bray is reviewing the information.

K.) BR DAM

We wanted to work on the sediment pond and after talking with DEP we would have to get another permit, instead of being able to use the one we have M. Stoudt thinks it has been changed that you can now get a maintenance service permit good for five years, and we will check into this.

L.) PAINT BR TANK

We had a proposal from Liquid Vision three years ago about a cathodic process. We will wait to do anything until the TR tank is online.

M.) CYBERSECURITY

Vice Chairman J. Bubacz said they had our quarterly meeting with CSR on 1/26. They got prices but did not extend the warranty yet. Something will have to be done this year to update. They discussed when the power is out and battery backup.

N.) TIMBER TAYLOR RUN

K. Geykis had called George a few weeks ago. George was told Kerry was there today but did not talk to him.

O.) NEW BACKHOE

It was ordered and is to be in the first quarter of this year, but George has not called them.

P.) SEWER RATES/WATER RATES

We had previously approved increasing the sewer rates \$30.00 per quarter beginning with the 3/23 billing, at the 12/22 meeting. We have to generate enough income to pay for the new WWTP, which will be two years out. It

was noted that since we can use water royalty money to pay bills for the sewer operating costs, this will be a help in paying our other monthly bills. It was asked if we sent out a letter yet, and we have not. A motion was made by P. Bauman, seconded by F. Wasowicz, "That we hold the sewer rates where they are and not do the increase beginning with the 3/23 billing." All in favor.

At the 12/22 meeting we made a motion to offer savings to our water customers after receiving answers to our concerns. A motion was made by P. Bauman, seconded by F Wasowicz, "That we hold the water rates where they are and not offer savings to our customers at this time. We can revisit the subject at a later date." All in favor. Mike asked when the last time was, we raised the water rates, George though 6-7 years ago, but asked Leesa to check.

Section 3: New Business

A.) HRG REQUEST

George gave the member the spread sheet showing bills we have to pay. There is a bill from Performance Construction No. 1-\$216,071.56; a bill from AFT Mechanical No. 1-\$43,130.00; HRG Invoice 166890-\$22,002.13; and Performance Construction No. 2-\$12,358.80. These bills total \$293,562.49. We have paid 5 previous bills and with these 4 we will have met our share of contribution totaling \$400,000.00. We will now start drawing from the loan. There is a balance on the bill from Performance Construction No. 2 in the amount of \$467,048.49 which will be drawn down from the bank loan. The HRG invoice for engineering covers 11/28-12/31/22. A motion was made by J. Bubacz, seconded by F. Wasowicz, "That we pay the 3 bills, plus part of the 4th to meet our share of contribution toward the project which totals \$400,000.00. The checks will be written out of the Sewer Project Account. The funds to cover these bills will come from the sewer money market account. " All in favor. A motion was made by J. Bubacz, seconded by F. Wasowicz, "That we sign the requisition to draw down funds from the FCCB loan #67, per RUS approval, to pay the balance on the Performance Construction No. 2 bill, in the amount of \$467,048.49. This check will be written out of the Sewer Project Account. J. Bubacz and S. Hall will sign the requisition request." All in favor.

The sewer has CD #5735 with FCCB ear marked for the new WWTP, whose funds came from the RF MMI. We also have a second CD ear marked for the new WWTP with C&N Bank. Treasurer Bauman reported that we have the first sewer CD #5735 and suggests that we close this CD to pay the new WWTP bills. This CD was opened 6/15/21, in the amount of \$150,000.00, as a

REGULAR MEETING BMA 2/7/23
PAGE 6

36-month regular CD, earning .50% with interest compound quarterly back to the principal balance, with a maturity date of 6/15/24. Even though it will be an early withdrawal, there will be a penalty, but would not lose that much interest. Using this CD and money in the sewer RF MMI, which will be transferred to the Sewer Project account, we will pay the new WWTP bills. A motion was made by P. Bauman, seconded by J. Bubacz, "That we close CD #5735 to pay bills for the new WWTP. The Board authorizes the Treasurer to do this transaction." All in favor.

B.) REPSOL ROYALTY

The statement for #60 was in the packets. #61 was received and the statement passed out tonight.

C.) C&N INTEREST STATEMENTS, CD'S, FCCB

The C&N statement for 1/23 was passed out tonight. The Treasurer had talked with Heather at FCCB, and a statement was received from Tania, who is a cash management sales associate, in Winfield, PA., showing our accounts and new rates that are being offered to municipalities. New money market accounts can be set up to take advantage of the higher interest rates. This year they will begin annual reviews to ensure FCCB is meeting our needs. The Treasurer suggests we open a new water money market account to earn better interest. He would like to close our old FCCB regular Water Co. MMI #5618 this month and deposit the balance into the new MMI we will open. He also suggests that we withdraw funds from the BWC Royalties MMI #3018 and deposit them into the new MMI. We also have a new MMI account #TCSXX with C&N that we had opened in 12/22 that he would like to withdraw funds from to invest in the new MMI. A motion was made by F. Wasowicz, seconded by J. Bubacz, "That we authorize the Treasurer to do the transactions suggested with certain water FCCB and C&N accounts." All in favor. Paperwork will have to be signed for opening the new account.

The Treasurer noted that after the presentation from C. Lantz, we can shift funds from the water Royalties MMI #3018 to the sewer RF MMI #7218 to pay monthly operation and maintenance costs. This month's sewer bills owed to the Boro for wages, bills and insurance are \$25,389.02 and he suggests we do this. A motion was made by P. Bauman, seconded by J. Bubacz, "That we transfer funds from the water Royalties account to the sewer RF MMI to pay the 2/23 monthly bills owed to Boro. J. Bubacz authorizes the Treasurer to do this transaction." All in favor. Leesa noted that the weekly online water payments will have to be changed from the

REGULAR MEETING BMA 2/7/23
PAGE 7

old Water MMI to the new Water MMI when all bank accounts have been completed.

D.) LIBRARY DONATION J. ECKMAN

The Library Board meeting was held 1/17 and those from our group attended to present the globe and plaque to him. He was pleasantly surprised. Leesa had made a list of highlights that happened during his tenure of 52 years. A thank you was received from Jack which Mike read.

E.) Leesa passed out the Statement of Financial Interest to the members to be returned to the office.

F.) Leesa had put in the packets the standard agreement for fees, costs, and expenses for representation of public entities from Cox, Stokes, and Lantz.

Section 4: Borough Manager's Report

George reported last Friday the power was off and on and we should look into getting a generator at the R&G Club. We have one at Bellman that takes over when the power is off, which we had purchased from Wellsboro. We also have the portable one at the sewer pump house. We will need one at Taylor to take care of our new tank and wells when we start supplying toward Covington. M Stoudt said he can have Ted Kelchner help work up the specs. They will also have to check with UGI about gas service there. This can be purchased under the Costars program.

There being no further business, the Chairman adjourned the meeting at 8:45 PM on motion of J Bubacz, seconded by F. Wasowicz, with all in favor.

CHAIRMAN

SECRETARY

